

INTERIM ADMINISTRATIVE AGREEMENT

This Interim Administrative Agreement ("Agreement") dated the 26 day of September 2011, is made between MCR, LLC and MCR Federal, LLC (collectively, "MCR" or "Company") and the United States Department of the Air Force ("Air Force.") As used herein, "MCR" means, without limitation MCR, LLC and MCR Federal, LLC, and all other operating divisions, units and wholly-owned subsidiaries of MCR and all entities acquired or established by MCR during the term of this Agreement.

PREAMBLE

1. MCR is a Government contractor, which has its principal place of business in McLean, VA.
2. The Air Force inadvertently disclosed Source Selection Sensitive Information (SSSI) to MCR during the Final Proposal Revision (FPR) process for a contract to support the Air Force Electronics Systems Center. The SSSI included the bid price and technical evaluation of MCR's competitor in the solicitation. The MCR recipient immediately, and without opening the attachment, forwarded this information to the technical team working on the MCR proposal.
3. MCR received a recall request from the Air Force within 10 minutes of the release of the SSSI, followed by other containment instructions. Although MCR began containment efforts the same day, MCR did not contain the SSSI until two days later and in the process of quarantining the information, exposed more individuals to the SSSI.
4. MCR continued to allow the exposed people to participate in revising the FPR notwithstanding their knowledge of the competitor's pricing information. Specifically, MCR separated the tainted individuals from MCR's price proposal, but continued to allow the individuals to participate personally and substantially in the technical proposal effort. It is undisputed that technical approach was the largest driver of cost in this solicitation.
5. On August 23, 2011, after the required contracting officer-led investigation into this potential Procurement Integrity Act violation, the Air Force suspended MCR from Government

contracting and Government-approved subcontracting pursuant to the procedures contained in the Federal Acquisition Regulation (FAR) Subpart 9.4 and the Department of Defense FAR Supplement (DFARS) Subpart 209.4. The Air Force provided MCR with a copy of the administrative record, which contained the contracting officer's Determination and Findings from this review. MCR has supplemented the Administrative Record with additional submissions. The entirety of the Administrative Record is incorporated herein by reference.

6. Although MCR has represented that it did not use the SSSI, at this stage of the investigation, the Air Force has no way to confirm this fact, or confirm if the tainted individuals' recommendations on technical approach were tainted by these employees' knowledge of their competitor's price. A criminal investigation is ongoing into these and other issues in the District of Massachusetts.

7. MCR's Chief Executive Officer represented to the Air Force that the company viewed itself as a "mom and pop operation" despite having approximately 800 employees and doing approximately \$150 million worth of business with the Government per year. The company and the Air Force agree that the company outgrew its policies and procedures by a considerable margin and what was in place at the time of the misconduct was not sufficient for such a large, sophisticated organization. The fact that MCR employees did not go to the MCR Ethics Officer because the employees did not believe the ethics officer could help with non-Human Resources-related questions is alarming to MCR and the Air Force.

8. MCR has expressed an interest in demonstrating that, notwithstanding the misconduct for which MCR was suspended, MCR can be trusted to deal fairly and honestly with the Government and that suspending or debarring MCR from future Government contracting is not a necessary protection in this case. MCR has acknowledged its improper conduct, the improper conduct of its employees, and its deficient procedures. MCR has taken responsibility for the wrongdoing. MCR has agreed to keep in place MCR's Business Ethics Compliance Program ("Program") voluntarily adopted prior to the date of this Agreement and to take other actions as specified herein to improve that Program, and other processes, to assure that MCR possesses the high degree of business honesty and integrity required of a Government contractor.

9. MCR agrees that developing a best-in-market-segment ethics operation, with scenario-based, cascading ethics training provided to all employees by their immediate supervisors, is of the utmost importance to shift the company from a rules-based compliance approach to the values-based approach that the Company and the Air Force expect for MCR.

10. MCR has repeatedly represented that it is in immediate danger of “going out of business” or “being forced to close its doors.” Accordingly, MCR represents that it is not possible to effect all of the necessary changes to the company’s structure and culture before the company fails. Although there is no support for this representation in the record, the Air Force is willing to accommodate MCR, based upon its apparent willingness to promptly improve its Program to meet industry best practices. Because of MCR’s claimed inability to promptly implement processes sufficient to satisfy the Air Force prior to the execution of this Agreement, and because of the uncertainty as to the scope of the admitted misconduct because of the ongoing criminal investigation, this Agreement is interim in nature, and is subject to termination as set forth in Article 3 hereof.

11. The Air Force and MCR agree that Federal Acquisition Regulation (FAR) 9.407 provides a legally sufficient cause to suspend MCR. The Air Force has further determined, however, that based upon information currently known to the Air Force, MCR's corrective actions and representations as to future actions reflected in the terms and conditions of this Agreement provide adequate assurance that MCR's future dealings with the Government, if any, will be conducted responsibly and that suspension or debarment is not necessary at this time to protect the Government's interests. The parties, therefore, agree to the terms and conditions set out below.

ARTICLES

1. **SUSPENSIONS**: The suspensions referenced in the Notice will be promptly terminated, without prejudice, following execution of this Agreement by the Air Force. The Air Force's decision to remove the Company’s suspension shall not restrict the Air Force or any other agency of the Government from instituting administrative actions, including, without limitation, suspension or debarment should other information indicating the propriety of such action come to the attention of the Air Force or such other

agency, or additional information concerning the facts at issue here is discovered by the Government, which facts were not disclosed by the Company or by the exercise of reasonable diligence could not have been discovered by the Government as of the date of this Agreement; or pursuant to Article 3 hereof.

2. **EMPLOYEES:** The word employee(s) in this Agreement includes the Company's officers, permanent, temporary, and contract employees, full-time and part-time employees, consultants, and members of the Board of Directors.

3. **PERIOD OF THE AGREEMENT:** The Agreement shall become effective upon its execution by the Air Force. At the date of execution of this Agreement, the period of the Agreement is indefinite. The period may become fixed in the future, however, by operation of this Article 3.

a. If MCR is not charged with any criminal offense relating to the matters set out in the Notice and Memorandum, within two years of the effective date of this Agreement, the terms and conditions of this Agreement shall continue in force and effect and the period of the Agreement shall be fixed as three years from the date of the execution of this Agreement by the Air Force.

b. If MCR is charged with a criminal offense, or a civil judgment is obtained against MCR by the Department of Justice ("DOJ") (to include United States Attorney's offices), relating to any of the matters described in the Notice and Memorandum, the period of this Agreement will not become fixed, and this Agreement shall expire, and the Air Force will again suspend MCR and any of its officers and employees that the Air Force deems appropriate. MCR agrees not to contest such a suspension in any forum, to include administrative, judicial or executive, except MCR shall be permitted to request reconsideration of the decision under the procedures of FAR 9.406-4(c). MCR agrees not to contest the administrative decision on any request for reconsideration in any forum, to include administrative, judicial or executive.

c. If, at any point during the term of this Agreement, the Air Force determines, in its sole discretion, that MCR has failed to meet any requirement of this Agreement, the Air Force may terminate this Agreement and suspend, or initiate proceedings to debar or extend the debarment of MCR and its employees, as appropriate. MCR agrees not to contest such a suspension or debarment in any forum, to include administrative, judicial or executive, except MCR shall be permitted to request reconsideration of the decision under the procedures of FAR 9.406-4(c). MCR agrees not to contest the administrative decision on any request for reconsideration in any forum, to include administrative, judicial or executive.

d. As used herein, the term "Agreement" shall mean this Interim Administrative Agreement and any fixed-period agreement that may follow pursuant to this article.

4. **SELF-GOVERNANCE PROGRAM.** MCR has implemented and agrees to maintain and improve a self-governance program that includes a Business Ethics Compliance Program that covers all employees. The Program shall be maintained so as to ensure that the Company and each of its employees maintains the business honesty and integrity required of a Government contractor and that the Company operates in strict compliance with all applicable laws, regulations, and the terms of all of its government contracts and subcontracts. The Company represents that the Program includes or will include the following components, all of which shall be fully implemented within four (4) months of the effective date of this Agreement unless otherwise expressly stated:

a. **MANAGEMENT.** The company has retained Patrick Gnazzo as its Acting Chief Ethics Officer on an indefinite basis until the Company can hire an individual with suitable background and experience to serve as the Company's permanent Chief Ethics Officer. In addition to the Chief Ethics Officer, the Company shall undertake to hire an experienced attorney in government contracts as a full-time employee and General Counsel.

b. **CODE OF ETHICS AND BUSINESS CONDUCT.** The Company maintains a written Business Ethics Compliance Program and its related Code of Conduct (together, "Code"). A copy of the Code is attached as Exhibit 1 to this Agreement. The Code has been circulated to each employee of the Company. After reading the Code, each current employee will be instructed to sign, within thirty (30) days of the execution of this Agreement, a certification that he or she has read and understood the Code. The Company shall maintain the certifications in a register open to inspection by the Air Force and shall certify within forty five (45) days of the execution of this Agreement that all employees have signed the register. Thereafter, at least once in each calendar year, each employee shall repeat the procedure of reading the Code and signing the register. In addition, within thirty (30) days of starting employment, new employees shall attend compliance training as needed and appropriate for the position and department the individual is entering, in addition to Ethics Training, training on the Code and expectations of the company for how to deal with ethics and compliance issues as they arise, not less than hour in length, provided by MCR's Chief Ethics Officer. Thereafter, each new employee shall be required to read the Code and sign the register stating that he or she has read and understood the Code. The Code shall be updated not less than annually, with descriptions of the updates and track-changes versions of the policies forwarded to the Air Force at the end of the reporting cycle during which the updates and enhancements were made. The Ethics Training module shall also be updated not less than annually with initial and updated materials forwarded to the Air Force at the end of the reporting cycle during which the creation, updates or enhancements of the materials occurred.

c. **INFORMATION AND EDUCATION PROGRAM.** Also as part of the Program, the Company has instituted and shall maintain and improve an information and education effort designed to assure that all employees are aware of all laws, regulations, and standards of business conduct they are expected to follow,

their expected ethical conduct, and the consequences both to the employee and the Company that will ensue from any violation. Training consists of at least one hour of annual, scenario-based ethics training to all employees taught by their supervisors, compliance training as needed, plus at least one hour of initial ethics and compliance training for every new employee. The annual training, to be rolled-out in cascading fashion from the Board to the CEO, then from the CEO to his direct reports, then from those direct reports to their direct reports, and so on until every MCR employee has been trained, shall be completed within forty five (45) days after the effective date of this Agreement. This information and education program shall be more than a recitation of the Code or ethical standards. Instead, for high risk areas for the company (and capable of being added to so as to include any other areas of concern to the immediate supervisor, specific to their department), the supervisor will highlight the Code requirements and discuss the reasons for the policies and the consequences of non-compliance with the employee. The immediate supervisor shall also initiate a discussion of ethics scenarios dealing with the largest risk areas for the Company. These scenarios will involve the immediate supervisor introducing a set of facts with no obvious “right” answer, and involving the employee in a discussion about possible courses of actions and the ethical implications of each. These scenarios will not be monologues by the immediate supervisor. Rather, the employee will provide much of the discussion, and the supervisor will moderate and engage as appropriate. The information and education effort shall be updated and enhanced not less than annually, with descriptions of the enhancements and copies of training materials forwarded to the Air Force at the end of the reporting cycle during which the updates and enhancements were made.

d. **LANGUAGES.** All written materials and training related to the Program will be provided in English and in any other language necessary to assure that each employee understands all elements of any written or oral presentation.

e. **REPORTING AND INFORMATION RESOURCES.** The Company has created and will maintain an external, 24-hour, toll-free ethics hotline (“Hotline”) under which employees may report concerns anonymously, and report issues or seek guidance on any aspect of the Company’s business. Notices publicizing the Hotline number will be posted in prominent locations at every Company office, to include but not be limited to its headquarters and field offices. The Notices will also state the Company’s commitment to comply with all applicable laws and regulations in the conduct of its business. Within fifteen (15) days of execution of this Agreement, the Company will post in common work areas a “Hotline” poster providing the phone numbers to report fraud, waste, abuse and/or security violations to the Inspector General of the Department of Defense.

5. **ETHICS/COMPLIANCE PROGRAM REVIEW.** MCR has retained Contractor Integrity Solutions, an independent organization (“IO”) acceptable to the Air Force with expertise in evaluating ethics programs to review the Company’s current Program. A report of that review, which has been provided to the Air Force, sets forth several features of the Program that have yet to be implemented.

Within forty five (45) days of the effective date of this Agreement, an IO (either Contractor Integrity Solutions, or any other ethics consultant acceptable to the Air Force) will provide a second report to the Company and the Air Force. The second report shall address the requirements stated in this Agreement, the applicable portions of FAR 3.1002, 3.1003, 9.406-2(c)(vi), and 52.203-13, where the Company is positioned compared to industry best practices¹ concerning ethical business operations, and any other aspect of ethical business operations that the IO deems necessary to review. The IO shall issue recommendations for change in MCR's practices, policies and/or procedures as they deem appropriate, to include steps necessary to align MCR's Program with industry best practices. The IO shall issue the report without first discussing its proposed conclusions with the Company or its representatives. The IO's report will include as part of an executive summary or as a summary appendix a clearly expressed table, in straightforward language, that lists each deficiency, weakness, or area for improvement, and the recommended steps to become best-in-industry-segment and/or meet industry best practices. Within 15 days after receiving the report, the Company shall provide an action plan regarding the implementation of the recommended changes to the IO and the Air Force, and/or an explanation as to why the recommendations will not be implemented. The IO shall issue reports to the Air Force every 30 days following delivery of its second report to the Air Force concerning the Company's progress against the IO's recommendations and on any other topic the IO deems necessary to address. This reporting period shall remain monthly until such time as the Air Force, in its sole discretion, finds that a reduced reporting period is warranted. The IO shall be free to communicate with the Air Force without interference from MCR. The Air Force may communicate with the IO on a confidential basis and without disclosure to MCR. Neither the delivery to nor review by the Air Force of any IO report shall waive, limit or in any way diminish the Air Force's right to obtain, review, analyze or evaluate any underlying actual evidence of MCR's compliance or non-compliance with this Agreement or applicable law, including any information or evidence shared with the IO or any predecessor serving a similar function (such as the Acting Ethics Officer). In addition to the IO report, as set forth herein, the IO will submit a final report to the Air Force no later than two months prior to the expiration of any fixed term to this Agreement. The final report shall (i) assess the Program gauged against defense industry best practices, and (ii) certify MCR's full compliance with the terms of this Agreement, or set out in detail the areas of noncompliance.

6. THE SCS IV CONTRACT: As part of its effort to demonstrate its present responsibility, the company has withdrawn its bid protest of the SCS IV Contract. This protest will not be reinstated in any forum, and the Company agrees not to hinder, delay or adversely affect the award or performance of this contract.

¹ To the extent that company size and revenues are used in the IO's assessment, the Company agrees that its size and revenues the day before its suspension provide appropriate metrics.

7. **FUTURE PROPOSALS:** When responding to future Government solicitations, the Company agrees to provide information about the current status of its Program. The language used in these proposals shall be included in an index to the periodic reports required by Article 13 and shall be subject to audit by the IO and the Air Force.
8. **ADMINISTRATION COSTS:** The Company has paid to the Air Force \$30,000 (payable to the Department of the Air Force) to cover the Air Force's costs of independently reviewing this matter and administering this Agreement.
9. **PREFERRED SUPPLIER PROGRAM.** The Company shall institute a Preferred Supplier Program within 120 days of the effective date of this Agreement. The Preferred Supplier Program shall be designed so as to in some manner reward its suppliers and subcontractors that have instituted and maintain compliance and values based ethics programs.
10. **PERFORMANCE STANDARDS.** Promotion of and adherence to the Program is an element of each manager's written performance standards and each manager is appraised annually in writing on his or her adherence to and promotion of the Program. The Company will submit, as a part of each report to the Air Force pursuant to Article 13, a statement by the Chief Executive Officer that each manager has been appraised on his or her adherence to and promotion of the Program.
11. **ETHICS CERTIFICATES.** Each Company employee will be subject to an annual requirement to attest that he or she (a) has attended a live training session concerning the content and application of the company's business ethics program; (b) understands that strict adherence to the law, the Code, and the principles of the business ethics program is a condition of employment; and, (c) understands that the Company will take disciplinary action, including discharge, for any violations of law, the Code, the principles of the business ethics program, or basic tenets of business honesty and integrity, or failure to take reasonable steps to prevent or detect improper conduct. A copy of the certificate used to fulfill this requirement will be included in the Code of Ethics and Business Conduct and is attached as Exhibit 2. The Company will submit, as a part of each report to the Air Force pursuant to Article 13, a statement signed by the Chief Executive Officer that he has verified that the certifications are being maintained and that each employee has provided a certification as required by this provision. The certificates shall be maintained and available for the Air Force's review and inspection during the period of this Agreement.
12. **CHIEF EXECUTIVE OFFICER RESPONSIBLE.** The Chief Executive Officer ("CEO") is responsible for ensuring that the company maintains and updates the Code as necessary, as well as providing for periodic audits (at least once each calendar year) of the Company's business practices, procedures, policies and internal controls for compliance with this Agreement, and the special

requirements of Government contracting. Such shall include monitoring and auditing to detect misconduct, periodic evaluation of the effectiveness of the Program and periodic assessment of the risk of misconduct, with appropriate steps to modify the Program as necessary to reduce the risk of misconduct as identified through this process. The Chief Ethics Officer shall report to the CEO in person and in writing not less than quarterly concerning the Company's Program and compliance with this Agreement. The CEO shall take whatever actions are appropriate and necessary to ensure that the Company conducts its activities in compliance with the requirements of the law and sound business ethics. The Company shall provide to the Air Force copies of such written reports in accordance with Article 13 of this Agreement.

13. REPORTS. Each calendar quarter, the CEO shall submit a written report to the Air Force describing the measures taken by the Company during that quarter to ensure compliance with this Agreement. The reports shall be submitted in time to be received at the Air Force within twenty days of the end of the calendar quarter. The final report is to be received not later than one month prior to the final day of this Agreement. Exhibit 3 sets out dates that reports from the CEO are due. The reporting dates are deadlines for receipt of the reports at Air Force Headquarters. The Company's failure to meet these requirements on or before the dates agreed to shall constitute a breach of this Agreement. The reports shall include:

- a. Standards of conduct/ethics/compliance training conducted, subject matter covered, and the number and type of persons who attended.
- b. Informal notifications or initiatives relating to the Program.
- c. Information required by other Articles in this Agreement.
- d. The initiation of and status of any ongoing investigation of, or legal proceedings by the U.S. Government involving the Company, including times, places, and subject matter of search warrants, subpoenas, criminal charges, and criminal or civil agreements.
- e. A statement that the CEO has verified that the certifications referenced in Article 3 are being maintained and that each employee has signed a certification as required by this provision.
- f. A report identifying all calls and statements made to the Company in any form or fashion, to include via the confidential toll-free line, regarding instances of suspected misconduct brought to the attention of management through any channel during the preceding quarter. Such reports shall summarize the facts of each matter, stating the date and source

(generically identified only as employee, consultant, outsider, etc.), medium of the report, the date and nature of the reported conduct, type and results of any internal investigation, corrective and/or disciplinary action and date of feedback to the source of the information. Matters pending resolution at the time of a reporting period shall be reported each quarter until final resolution of the matter is reported. If the company has received no reports, the Company shall report that fact, and a statement as to the steps MCR intends to take to encourage employee reporting. For purposes of this Article, the Company may summarize the matters reported. The complete the Company files on each case, however, shall be made available to the Air Force upon request.

g. MCR will take corrective action, including making prompt restitution of any harm to the government, where investigation by MCR or the government results in credible evidence of such misconduct. Summary reports of the corrective action and restitution shall be reported to the Air Force at the conclusion of the reporting period where such payment was made.

h. A statement of any problems or weaknesses identified by the Program, corrective action proposed or initiated, and the status of any corrective action.

14. MANAGEMENT. The principal members of the Company's management on the date of the execution of this Agreement by the Company are provided in Exhibit 4. The Company agrees to notify the Air Force within one week if any of these principals leaves his or her current position and to provide the name of the successor to the Air Force upon appointment.

15. LEGAL PROCEEDINGS. The Company shall disclose in writing to the Air Force within 10 days of the execution of this Agreement all known criminal or civil investigations of the Company by any Government entity. In addition to the periodic written reports required under Article 13, the Company shall notify the Air Force within two working days of the time the Company's Chief Executive Officer or General Counsel learns of (a) the initiation of any additional criminal or civil investigation by any U.S. federal, state, or local government entity involving any allegations of Foreign Corrupt Practices Act, false statements, false claims, corruption, conflict of interest or anti-trust violations, or any other offenses relating to the Company's business integrity, if the Company has reason to believe that it is a target or subject of such investigation; (b) service of subpoenas by any such U.S. governmental entity, if the Company has reason to believe that it is a subject or target of the investigation; (c) service of search warrants and/or searches carried out by any U.S. government entity in any Company facility; (d) initiation of legal action against the Company, or any of its affiliates, employees, or agents by any U.S. government entity alleging violations of the Foreign Corrupt Practices Act, false statements, false claims, corruption,

conflict of interest, anti-trust violations or any other offenses relating to the Company's business integrity; or (e) criminal charges brought by any U.S. government entity against the Company or any of its affiliates, employees, or agents, relating to the business of the Company. The Company shall provide to the Air Force as much information as necessary to allow the Air Force to determine the impact of the investigative or legal activity upon the present responsibility of the Company for Government contracting.

16. COOPERATION WITH INVESTIGATIONS. The Company shall cooperate fully with all Government agencies responsible for audits, investigations or corrective actions, including the Government's investigation of the matter set out in the Preamble of this Agreement. MCR agrees that full cooperation shall be judged by the Air Force (or, if appropriate, other Government agency), in its sole discretion, and shall include at a minimum MCR providing to the Air Force all documents reviewed by MCR's IO and Acting Ethics Officer with respect to the Government's investigation referenced in the preamble hereto and MCR providing full, unfettered, and timely access to employees, records, documents, electronically-stored information, and any other information or evidence to federal law enforcement upon request and without requiring a subpoena. The Company shall not seek to exclude from evidence any of the information it provides to the Air Force (or other Government agency) pursuant to this Agreement.

17. MEETING. Between five and seven months after the effective date of this Agreement, and again between two and four months prior to the expiration of this Agreement (in the event there is a fixed term), the CEO and the Chief Ethics Officer shall meet with the Air Force Deputy General Counsel for Contractor Responsibility or a designee to discuss the status of compliance with this Agreement and the implementation of the Program.

18. LIST OF AUDIT REPORTS. In addition to the audit reports elsewhere required by this Agreement, the Company agrees to provide the Air Force with a list of all internal and external audit reports, regardless of source, either generated by or received by the Company during the reporting period covered by the current Article 13 report. The Company shall include in the list reports generated as a result of customer or Government surveys of the Company.

19. REPORTS OF MISCONDUCT. In addition to the routine reports of misconduct required by Article 13, and any disclosure to the agency Office of the Inspector General and the contracting officer required by FAR 52.203-13 (copies of which the Company will provide to the Air Force), the Company shall report to the Air Force, within 15 days of discovery by management, any suspected misconduct that management has reasonable grounds to believe may constitute a violation of U.S. criminal or civil law. The misconduct to be reported pursuant to this article includes misconduct by any person, including, but not limited to, the Company, the Company's employees and Government employees, when related to the

conduct of the Company's business, and shall include misconduct disclosed to the Company from any source relating to the Company's business. The Company will investigate all reports of such misconduct that come to its attention and will notify the Air Force of the outcome of such investigations and any potential or actual impact on any aspect of the Company's business. The Company will take corrective action, including prompt restitution of any harm to the Government. The Company will include summary reports of the status of each such investigation to the Air Force in the reports submitted pursuant to Article 8 until each matter is finally resolved.

20. LETTERS TO MAJOR SUPPLIERS AND MAJOR SUBCONTRACTORS. Within 45 days of the effective date of this agreement, the Company shall distribute to its major suppliers and major subcontractors a letter (1) emphasizing the Company's commitment to procurement integrity, (2) asking such suppliers and subcontractors to report to the Company's General Counsel and Ethics Officer any improper or illegal activity by Company employees, (3) and informing them of the contact information for the Company Hotline. A copy of the letter is at Exhibit 5. A copy of each year's letter shall be furnished to the Air Force pursuant to this Article 20.

21. EMPLOYMENT OF SUSPENDED OR DEBARRED INDIVIDUALS. The Company has instituted a written policy stating it shall not knowingly employ, an individual who is under indictment, convicted, or listed by a Federal Agency as debarred, suspended, or otherwise ineligible for Federal programs. In order to carry out the policy, the Company shall make reasonable inquiry into the status of any potential employee or consultant. Such reasonable inquiry shall include, at a minimum, review of the General Services Administration's (GSA) List of Parties Excluded from Federal Procurement and Nonprocurement Programs as maintained by GSA on the internet. The policy does not require the Company to terminate the employment of individuals who are indicted or become suspended or are proposed for debarment during their employment. The Company, however, will remove such employees from responsibility for or involvement with the Company's Government contracts businesses until the resolution of such suspension or proposed debarment. In addition, if any employee of the Company is charged with a criminal offense relating to business or otherwise relating to honesty and integrity, the Company will remove that employee immediately from responsibility for or involvement with the Company's Government contracts businesses. If the employee is convicted or debarred, the policy requires that the employee will be terminated from employment with the Company. The Company shall notify the Air Force of each such personnel action taken, and the reasons therefore, within 15 days of the action.

22. BUSINESS RELATIONSHIPS WITH SUSPENDED OR DEBARRED ENTITIES. The Company has instituted a written policy stating it shall not knowingly form a contract with, purchase

from, or enter into any business relationship with any individual, business entity or business entity controlled by an individual that is listed by a Federal Agency as debarred, suspended, or proposed for debarment. To effectuate this policy, the Company shall make reasonable inquiry into the status of any potential business partner, to include, at a minimum, review of the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs including the version of this list maintained by GSA on the internet. Notwithstanding any other provision of this paragraph, the Company may enter into a business relationship with a suspended or debarred contractor, if the Ethics Officer first determines in writing that a compelling reason justifies the action and furnishes to the Air Force a copy of the determination not less than 10 days prior to the Company entering into such a business relationship. The Company shall not enter into a business relationship with a suspended or debarred entity if the Air Force objects. In addition to the provisions of this article, the Company shall comply with the requirements of FAR 9.405-2(b) and provide to the Air Force a copy of the documents submitted to the contracting officer pursuant thereto.

23. PROPOSED CHANGES. The Company shall notify the Air Force of any proposed significant changes in the relevant directives, instructions, or procedures implemented in furtherance of the Company's Program and compliance with this Agreement. The Air Force, or its authorized representative, retains the right to verify, approve, or disapprove any such changes. No such changes shall be implemented without the prior approval of the Air Force.

24. ACCESS TO RECORDS AND INFORMATION. In addition to any other right the Air Force may have by statute, regulation, or contract, the Air Force or its duly authorized representative may examine the Company's books, records, and other company documents and supporting materials for the purpose of verifying and evaluating: (a) the Company's compliance with the terms of this Agreement; (b) the Company's business conduct in its dealings with all of its customers, including the Government; (c) the Company's compliance with Federal laws, regulations, and procurement policies and with accepted business practices; and (d) the Company's compliance with the requirements of Government contracts or subcontracts. The materials described above shall be made available by the Company at all reasonable times for inspection, audit, or reproduction. Further, for purposes of this provision, the Air Force or its authorized representative may interview any employee at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed between the employee and the Air Force. Employees will be interviewed without a representative of the Company being present. The employee may be represented personally by his own counsel if requested by the employee.

25. UNALLOWABLE COSTS.

- a. The Company agrees that all costs, as defined in FAR 31.205-47, incurred by, for, or on behalf of the Company or any current or former officer, director, agent, employee, consultant, or affiliate shall be expressly unallowable costs for Government contract accounting purposes. Unallowable costs include, but are not limited to, costs arising from, related to, or in connection with (a) the matters at issue here, (b) the Government's criminal and civil investigations regarding the matters at issue here, (c) the Air Force's independent review of the Company's present responsibility, including the costs of the company's submissions, presentations, and appearances before the office of the Air Force Deputy General Counsel for Contractor Responsibility, and (d) the Administration Costs paid to the Air Force pursuant to Article 8 of this Agreement. The Company's costs of performing and administering the terms of this Agreement and any fines or penalties levied or to be levied in or arising out of the matter at issue here are agreed to be expressly unallowable costs. The Company's present and future costs of maintaining, operating, and improving the Company's corporate self-governance/compliance/ethics programs are allowable costs for purposes of this Agreement.
- b. The Company agrees to treat as unallowable costs the full salary and benefits of any officer, employee, or consultant terminated from the Company's employ or removed from government contracting as a result of the events at issue here and the cost of any severance payments or early retirement incentive payments paid to employees released from the company as a result of the wrongdoing at issue here. For purposes of the preceding sentence, the salary and benefits costs shall include all such costs from the first instance of participation of each individual in the matters at issue here, as determined by the Air Force.
- c. The Company recognizes that in order to comply with the terms of this paragraph, certain costs may need to be reclassified. The Company shall proceed immediately to identify and reclassify such costs and, within ninety days of the effective date of this Agreement, the Company shall adjust any bid rate, billing rate, or unsettled final indirect cost rate pools to eliminate any costs made unallowable by this Agreement, and shall advise the Air Force, the cognizant administrative contracting officer, and the cognizant Government auditor of the amount and nature of the reclassified costs within 120 days of the date of this Agreement. The Air Force or a designated representative shall have the right to audit the Company's books and records to verify compliance with this paragraph. Such audit rights shall be in addition to

any audit rights the Government may have under the terms of any contract with the Company.

26. ADVERSE ACTIONS. The Company avers that adverse actions taken, or to be taken, by the Company against any employee or other individual associated with the Company arising out of or related to the wrongdoing at issue here were solely the result of the Company's initiatives and decisions and were not the result of any action by, or on behalf of, agents or employees of the United States.

27. PRESENT RESPONSIBILITY. The Company's compliance with the terms and conditions of this Agreement shall constitute an element of the Company's present responsibility for Government contracting. The Company's failure to meet any of its obligations pursuant to the terms and conditions of this Agreement, as determined by the Air Force at its sole discretion, constitutes a separate cause for suspension and/or debarment. Should such suspension and/or debarment issue, the Company agrees that it shall not contest the action in any forum or manner. By entering into this Agreement, the Air Force is not determining that the Company is presently responsible for any specific Government contract.

28. NOTIFY EMPLOYEES. Within thirty (30) days of the effective date of this Agreement, the Company will notify all employees of the fact and substance of this Agreement, the nature of the wrongdoing leading to this Agreement, and the importance of each employee's abiding by the terms of this Agreement and all requirements of law, regulations, and the Company's policies and procedures.

29. COMPANY SALE OF BUSINESSES. In the event that the Company sells or in any way transfers ownership of any part of its business, the Company shall notify the Air Force in advance and shall require the acquiring entity as a condition of the sale to remain bound by the terms of this Agreement for the duration of this Agreement, including, but not limited to, all reporting requirements.

30. COMPANY PURCHASE OF BUSINESSES. In the event that the Company purchases or establishes new business units after the effective date of this Agreement, the Company shall implement all provisions of this Agreement, including all training or education requirements, within 60 days following such purchase or establishment.

31. WAIVER. The Company hereby waives all claims, demands, or requests for monies from the Government, of any kind or of whatever nature, that the Company, its parent and/or its subsidiaries may have or may develop in the future arising from, related to, or in connection with, any investigation, or as a result of administrative or judicial proceedings, or request for any other relief in law or in equity, or in any other forum be it judicial or administrative in nature arising out of or relating to the facts that gave rise to the suspension.

32. **RELEASE.** The Company hereby releases the United States, its instrumentalities, agents, and employees in their official and personal capacities, of any and all liability or claims arising out of or related to the investigation, the suspension, or the discussions leading to this Agreement.

33. **PARAGRAPH HEADINGS.** The paragraph headings in this Agreement are inserted for convenient reference only and shall not affect the meaning or interpretation of this Agreement.

34. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which taken together, shall constitute one and the same agreement.

35. **AIR FORCE RELIANCE.** The Company represents that all written materials and other information supplied to the Air Force by its authorized representatives during the course of discussions with the Air Force preceding this Agreement are true and accurate, to the best information and belief of the Company. The Company also represents that it has provided to the Air Force all information in its possession relating to the facts at issue. The Company understands that this Agreement is executed on behalf of the Air Force in reliance upon the truth, accuracy, and completeness of all such representations.

36. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

37. **RESTRICTION ON USE.** The Company shall not use any term of this Agreement, the fact of the existence of this Agreement, or the fact of the termination of the Company's suspension, for any purpose related to the defense or litigation of, or in mitigation of any criminal, civil, or administrative investigation or proceedings.

38. **BANKRUPTCY.** Bankruptcy proceedings shall not affect the enforcement of this Agreement in the interests of the Government.

39. **AUTHORIZED REPRESENTATIVE.** Neil Albert is fully authorized to execute this Agreement and represents that he has authority to bind the Company.

40. **SEVERABILITY.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect other provisions of this Agreement.

41. **NOTICES.** Any notices, reports, or information required hereunder shall be in writing and delivered or mailed by registered or certified mail, postage prepaid as follows:

If to the Company, to: Neil F. Albert

CEO & President
MCR, LLC
2010 Corporate Ridge, Suite 350
McLean, VA 22102

If to the Air Force, to:

Deputy General Counsel for
Contractor Responsibility (SAF/GCR)
Department of the Air Force
1235 S. Clark Street, Suite 301
Arlington, VA 22202

or such other address as either party shall have designated by notice in writing to the other party.

42. PUBLIC DOCUMENT. This Agreement, including all attachments and reports submitted pursuant to this Agreement, is a public document. It may be distributed in whole, in part, or described in summary fashion, by the Air Force throughout the Government as appropriate and to other interested persons. The Air Force may use the substance of this Agreement or underlying Administrative Record information for any purpose without limitation and without prior approval of MCR.

43. MODIFICATION. This Agreement may be amended or modified only by a written document signed by both parties.

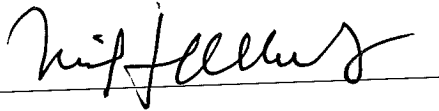
DEPARTMENT OF THE AIR FORCE



BY: Steven A. Shaw
Deputy General Counsel
(Contractor Responsibility)

DATE: 9/26/11

MCR, LLC and MCR FEDERAL, LLC



BY: Neil Albert
Chief Executive Officer

DATE: 9/23/2011

EXHIBITS

- 1) Code of Conduct
- 2) Certification Form for Code Conduct
- 3) Due Dates for Reports from CEO
- 4) Company Management on Date of Agreement
- 5) Letter to Major Suppliers and Subcontractors